

Remarks on the National Economy and an Exchange With Reporters
February 5, 2016

The President. TGIF, everybody. I wanted to stop by, because as you're aware by now, America's businesses created another 158,000 jobs last month. After reaching 10 percent in 2009, the unemployment rate has now fallen to 4.9 percent, even as more Americans joined the job market last month. So this is the first time that the unemployment rate has dipped below 5 percent in almost 8 years. Americans are working.

All told, over the past 6 years, our businesses have added 14 million new jobs. Seventy-one straight months of private sector job growth extends the longest streak on record. Over the past 2 years, 2014 and 2015, our businesses added more jobs than any time since the 1990s.

Most importantly, this progress is finally starting to translate into bigger paychecks. Over the past 6 months, wages have grown at their fastest rate since the crisis. And the policies that I'll push this year are designed to give workers even more leverage to earn raises and promotions.

So unemployment, deficits, gas prices are all down. Jobs, wages, and the rate of the insured are up. I should mention, by the way, that since I signed Obamacare into law, nearly 18 million Americans have gained coverage, and our businesses have created jobs every month since, on net, all of them full-time jobs.

So, as I said at my State of the Union Address, the United States of America right now has the strongest, most durable economy in the world. I know that's still inconvenient for Republican stump speeches as their doom-and-despair tour plays in New Hampshire. I guess you cannot please everybody.

That does not mean that we don't have more work to do. There is softness in the global economy. China is going through a transition. Europe's economy is still slow. A lot of the emerging markets are challenged. So that's all creating headwinds for a lot of U.S. companies who do business overseas. It makes it more difficult for us to sell exports. So we've got to pay attention to this, and we've got to take some smart steps this year to continue progress. And we also have to do more to make sure that the progress that we do make is broadly based and impacting folks up and down the income scales. The budget that I send to Congress on Tuesday is going to make sure that we can continue that progress. Talking down the American economy, by the way, does not make that progress.

My budget is going to offer more opportunities for Americans to get the education and job training that they need for a good-paying job. It will offer new ideas for benefits and protections that provide folks with a basic sense of security. We'll create more good-paying jobs not by subsidizing the past, but by investing in the future. And that's why we're going to be placing a big emphasis on clean energy. Private sector solar jobs, for example, are growing 12 times faster than the rest of the economy, and they pay better than average. That's one reason why my budget is going to double our investment in clean energy research and development by the end of the decade. That's going to help businesses create more jobs faster, it's going to lower the cost of clean energy faster, it's going to help renewable power compete with dirty fuels across America in a more effective way.

Those are some of the steps that are going to make sure our future is even stronger, a future that is worthy of the hard work and determination of the American people. The progress we've made in going from 10 percent down to under 5, that's a testament to American workers,

American businesses, the American people being resilient and sticking to it. And my hope is, is that rather than hinder their progress, we're going to continue to help them make progress.

With that, have a great weekend. Enjoy the Super Bowl. I'm not telling you my pick—*[laughter]*—because the Bears aren't in it, and—but I'm hoping for a great game.

With that, Josh. Is he back there?

Q. Yes.

The President. Josh, take it away.

Public Perceptions of the Economy

Q. How about a question?

Q. Yes, yes. You seemed to imply yesterday that you don't get enough credit. Were you——

The President. You know what, let—I'm going to—let me take a couple of questions here.

White House Press Secretary Joshua R. Earnest. All right, thank you.

The President. Why not? Just, what the heck.

Q. It's Friday.

The President. I'm in a good mood. It's Friday.

Q. It's Friday. Throw us a——

The President. Go ahead.

Q. Okay. So you were implying yesterday, in a joking way, that you don't get enough credit——

The President. Oh, this is when I was talking to—with the Warriors——

Q. With the Warriors.

The President. Right, right.

Q. Okay, so were you again referring, as you did just now, to Republicans and their message, which you could say could be expected during an election? Or were you also referring to the fact that polls—like, 70—57 percent of Americans in polls say they don't think things are going well in this country. What—why do you think that is?

The President. Well, at the time, I was making a joke with a basketball team. But there's no doubt that while we have made significant progress—and I talked about this during the State of the Union—there is still anxiety and concern about the general direction of the economy. If you look at some of the surveys, people feel better about their circumstances, their finances, but they're not sure about the future. And part of it is, there's still a pretty big carryover from the devastation that took place in 2007, 2008. If your home value drops in half or you lose a job that you thought you were secure in or your pension suddenly looks vulnerable, you're going to remember that. And so a lot of people still feel that.

And they're right to recognize that there are some longer term economic trends that we still have to tackle: that the economy is more dynamic and it churns faster and the pressure on companies to maximize short-term returns, oftentimes at the expense of long-term investment; the lack of loyalty sometimes to workers who have built those companies and are threatened to lay off—be laid off; the fact that wages and incomes up until the last 6 months haven't gone up as fast as corporate profits have or benefits at the very top. All those things people feel and they experience.

And so even though they know things are better, they're worried where are we going. And I think—so I think that the argument I'm making here and will continue to make during the course of this year is, we should be proud of the progress we've made. We have recovered from the worst economic crisis since the 1930s, the worst in my lifetime and the lifetime of most of the people in this room. And we've done it faster, stronger, better, more durably than just about any other advanced economy.

Had we adopted some of the policies that were advocated by Republicans over the last 4, 5, 6 years, we know that we probably would have done worse. And we know that because a lot of European countries adopted those policies, and they haven't yet gotten to the same place they were before the crisis. So evidence, facts are on our side. And this jobs report gives you one more indication that the facts are on our side.

I think that it is important for us then to understand how do we take the next step and make people feel more secure and feel more confident about the future. And that's why investments in education and job training; going after the high costs of higher education; making sure that issues like paid leave and family leave are put in place; raising the minimum wage so that if you're working full time, you're not in poverty; making sure that we're investing in transportation, infrastructure, and clean energy; going after the jobs of the future; investing in technology—all those things are a recipe for continued growth and increased security.

And as far as I can tell, those who are running down the economy and adding to the anxiety don't seem to have any plausible, coherent recipe other than cut taxes for the very folks who have been doing the best in this economy and somehow, magically, that's going to make other folks feel good.

Or alternatively, they argue that the reason you're feeling insecure is because immigrants or poor people are taking more and more of your paycheck. And that is just not true. The facts don't bear that out. That's not where the weaknesses in the economy are. That's not what's depressing wages for middle class families or making them more vulnerable to disruptions in this economy. And I want to keep on making that argument during the course of this year.

We should feel good about the progress we've made, understanding that we've still got more work to do. It's sort of like, I'm 54 now, so I got to work out harder to stay in shape. [Laughter] And if I'm feeling good in the gym, I want to acknowledge that what I'm doing is working. Otherwise, I'll just go off and have a big, double-bacon cheeseburger or something because I'll think, well, this isn't working.

No, if it's working, then we should be staying on that same path. That doesn't mean that I'm where I necessarily want to be. It doesn't mean that I stop doing some hard work to get where we need to go.

All right? I was only going to make two—I'm just going to take two. So, all right, go ahead.

Labor Force Participation Rate/Oil Prices/Oil Tax Policy

Q. Thank you, Mr. President. How can you improve workforce participation levels? Because as much as people talk about the recovery, so few Americans are now, relatively speaking, in the job force, especially compared to 2008. And if you wouldn't mind, sir, can you at least comment on the \$10-per-barrel fee that we've heard so much about?

The President. On the first question, part of what was good in this jobs report is the fact that the participation rate, in fact, didn't drop. That wasn't the reason why unemployment dropped. More people are entering into the workforce. They feel more confident, and they're finding work.

But what is true is, is that we're still at a point where the labor participation rate is lower than it has been historically.

Q. Why?

The President. Some of that is explained by demographics. The population is getting older, and so you would expect that there is some decline. But it's not fully explained by Americans getting older. Some of this is still the hangover from what happened in 2007 and 2008. And this is part of the reason why we have to keep our foot to the accelerator in terms of doing the things that need to be done to keep the economy growing and keep it strong.

We should not let up from the progress that's been made so that the labor market continues to tighten, people feel more confident that if they go out and look for work that they can find it. There are particular cases where some folks have just been out of the labor market for a long time and may not be equipped for the jobs of today. And that's where we've got to target some special efforts.

I get a lot of letters from middle-age workers who got laid off, aren't confident about their current skills, and so have not yet reentered the workforce. They need to get retrained. And so that's a special group: folks in their late forties, early fifties, still far away from retirement, but feel like they can't adapt.

Obviously, there are young people, high school dropouts, folks in both rural communities and inner cities that just have—came of age right in the middle of this terrible recession and haven't gotten attached to the labor market yet. And so we've got to make special efforts to figure out how do we get them into job training programs or community college, and it allows them to get some skills.

So there's a wide set of strategies we can take on that, but it's all—it's going to require overall, though, a strong labor market for them to feel like it's worth it to make these efforts. And we want to keep making sure that the labor market is as strong as possible.

With respect to oil and energy, I'll probably make a larger speech about that and the direction that we need to go on this. The basic proposition is, is that right now gas is \$1.80. And gas prices are expected to be low for a while, for the foreseeable future. That, overall, can be a good thing for the economy. But what is also important is that we use this period where gas prices are low to accelerate a transition to a cleaner energy economy because we know that's not going to last. Every one of us have seen cycles where gas prices go down and then they pop back up.

And the idea here is, is that we—if we say to oil companies—which, by the way, got a significant benefit when we, in the omnibus, allowed them for the first time to export oil; up until that point, domestic oil producers couldn't export. So if we say to them now, all right, oil companies, we know that you're having to retool, we know that prices are low right now, you're allowed to export, but what we're also saying is, is that we're going to provide—we're going to impose a tax on a barrel of oil—imported, exported*—so that some of that revenue can be used for transportation, some of that revenue can be used for the investments in basic research and technology that's going to be needed for the energy sources of the future. Then, 10 years from now, 15 years from now, 20 years from now, we're going to be in a much stronger position when oil starts getting tight again, prices start going up again.

* White House correction: Exported crude oil and refined fuels would not be subject to the per-barrel fee. The fee is designed to be paid by oil companies and would cover imported and domestically produced crude oil and refined fuels that are burned in the United States. This would maintain a level playing field for U.S. producers.

We will have further weaned our economy off of dirty fuels. We will have not just made environmental progress, but we'll also have a much stronger economy, a stronger infrastructure. We'll be creating the jobs of the future. And I think we'll look back and we'll say, that was a smart investment, that was a wise decision for us to make.

That—but the point is, it's right to do it now when gas prices are really low. And they will be low for quite some time to come, so it's not going to be a disruptive factor in terms of the economy. All right?

[At this point, many reporters began speaking at once.]

Okay, guys. Of course, they always say something. I only said two questions, but I hope you guys have a wonderful Super Bowl party. All right? Thank you, guys.

Q. Are you still in a good mood?

The President. I am in a good mood. *[Laughter]*

NOTE: The President spoke at 12:31 p.m. in the James S. Brady Press Briefing Room at the White House.

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